

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

KENTUCKY WATER SERVICE COMPANY,)	
INC., PURCHASED WATER SURCHARGE)	CASE NO.
AND RATE ADJUSTMENT)	90-067

INTERIM ORDER

On March 26, 1990, Aqua Corporation ("Aqua") applied for an adjustment of a surcharge to the rates charged by its water distribution facility in Middlesboro, Kentucky. Aqua states that this adjustment is necessary to fully recover a surcharge assessed against it by Fern Lake Company ("Fern Lake") and to comply with the Commission's Order of January 26, 1984 in Case No. 8370-A.¹ It alleges that the present surcharge is inadequate and, without the proposed adjustment, it will incur further losses and be unable to make its required surcharge payments to Fern Lake.

Aqua's application is the second application for rate adjustment this year. On January 31, 1990, in Case No. 89-341,² Aqua applied for a general adjustment of the rates charged by its water distribution facilities in Clinton and Middlesboro,

¹ Case No. 8370-A, Kentucky Water Service Company, Inc. Purchased Water Surcharge and Rate Adjustment.

² Case No. 89-341, The Application and Notice of the Aqua Corporation (Kentucky Water Service Co., Inc.) for an Adjustment of Rates in Middlesboro and Clinton, Kentucky.

Kentucky. That case is currently before the Commission and has been scheduled for hearing.

Having reviewed Aqua's applications in both proceedings and being otherwise sufficiently advised, the Commission finds that:

1. Case Nos. 89-340 and 90-067 involve common questions of law and fact.

2. Consolidation of Case Nos. 89-340 and 90-067 will advance the convenience of the Commission and the parties and avoid unnecessary expense and delay. It will not prejudice the rights or interests of any party to these proceedings.

3. Case Nos. 89-340 and 90-067 should be consolidated.

4. Aqua has failed to publish notice of its proposed adjustment to its surcharge rate as required by Commission Regulation 807 KAR 5:011, Section 8.

5. Aqua's application shows that since July 1987 Aqua's existing surcharge rate has failed to cover the monthly surcharge assessed by Fern Lake and, as of December 31, 1989, the Fern Lake surcharge account had a deficit of \$25,592.50.

6. The failure of the present surcharge rate to cover the Fern Lake surcharge and the existing deficit in Fern Lake's surcharge account constitutes a prima facie showing that Aqua's operations will be materially impaired if the proposed surcharge adjustment is not authorized on an interim basis.

IT IS THEREFORE ORDERED that:

1. Case Nos. 89-340 and 90-067 are consolidated.

2. Aqua shall provide notice of its proposed surcharge adjustment in accordance with the provisions of Commission Regulation 807 KAR 5:011, Section 8.

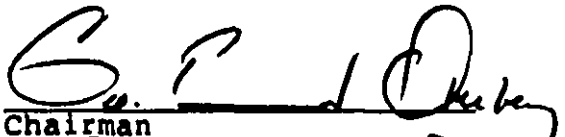
3. Pending a final decision in these matters, Aqua is hereby authorized to charge the proposed surcharge, subject to refund, for water service rendered on and after the date of this Order.

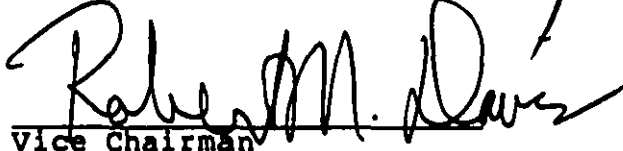
4. Aqua shall maintain its records in such manner as will enable it or the Commission to determine the amounts to be refunded if a refund is ordered upon final resolution of these cases.

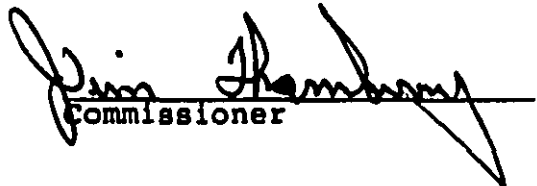
5. Aqua shall file tariff sheets reflecting the interim surcharge rate within 30 days of the date of this Order.

Done at Frankfort, Kentucky, this 16th day of May, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director